



DEPARTMENT OF ADMINISTRATIVE SERVICES



STATE OF CONNECTICUT

165 Capitol Avenue
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Senate Bill 390

An Act Concerning Cooperative Purchasing Plans

Joint Committee on Government Administration & Elections

March 17, 2010

Good morning Senator Slossberg, Representative Spallone, Senator McLachlan, Representative Hetherington and members of the Government Administration & Elections Committee. My name is Carol Wilson and I am the Director of the Procurement Division of the Department of Administrative Services (DAS).

I am here today to testify in support of Senate Bill 390. This is a proposal that DAS asked the Committee to raise, and we thank the Chairs and the Committee for doing so.

The Department of Administrative Services ("DAS") is responsible for the purchase of supplies, materials, equipment and contractual services for state agencies.

Cooperative purchasing involves sharing procurement contracts between /among governments. For example, two or more states, municipalities, or other public purchasing consortia combine to leverage their purchasing power and obtain deeper discounts from vendors and achieve greater savings for the users of the contract.

Connecticut's cooperative purchasing statute - C.G.S. § 4a-53 -- currently allows DAS to "join" with other states, the federal government, political subdivisions and non-profits to purchase goods and services. However, this statute allows DAS to work with these other entities only at the outset of a cooperative contract solicitation. As written, it does not allow the state to "piggyback," or purchase off of, an existing contract between a vendor and another entity if DAS was not part of the original contract solicitation.

The change that DAS seeks would provide express statutory authority for DAS and state agencies to piggyback off of existing government cooperative purchasing contracts when it is in the best interest of the state to do so - in other words, when such piggybacking would fulfill the state's purchasing needs and would achieve savings.

The proposal also clarifies that the state is able to join in an initial cooperative purchasing plan or piggyback off of an existing cooperative contract let by a public purchasing consortia (such as NASPO - the National Association of State Purchasing

Officials, WSCA – the Western States Contracting Alliance, etc.) if any such contracts would achieve savings for state agencies and municipalities that purchase off of DAS contracts.

DAS believes that **Senate Bill 390** has the potential for generating significant savings for the state. For example, DAS compared prices in the Connecticut contract for industrial supplies with the Western States Contracting Alliance (WSCA) contract for the same supplies. An analysis of the 50 most-frequently purchased items off this contract demonstrated that state agencies could save an estimated 30% if they were able to use the WSCA contract. In FY 2009, state agencies spent approximately \$8 million on industrial supplies, therefore savings may be upwards of approximately \$2.4 million annually for this contract alone. Other existing cooperative contracts that would be likely to result in savings for state agencies if DAS were permitted to use them include the Enterprise/Car Rental contract (estimated \$17,000 annual savings), and the Small Packages Deliveries contract (estimated \$78,000 annual savings).

Allowing DAS and state agencies to utilize existing cooperative purchasing contracts would also save DAS the administrative costs associated with the preparation of solicitations, and evaluation, negotiation, and award of alternative state contracts.

In addition, because many municipalities use DAS contracts for their goods and services, **Senate Bill 390** may also result in savings for municipalities as well.

Thank you for the opportunity to speak to you. I am happy to answer any questions you may have.